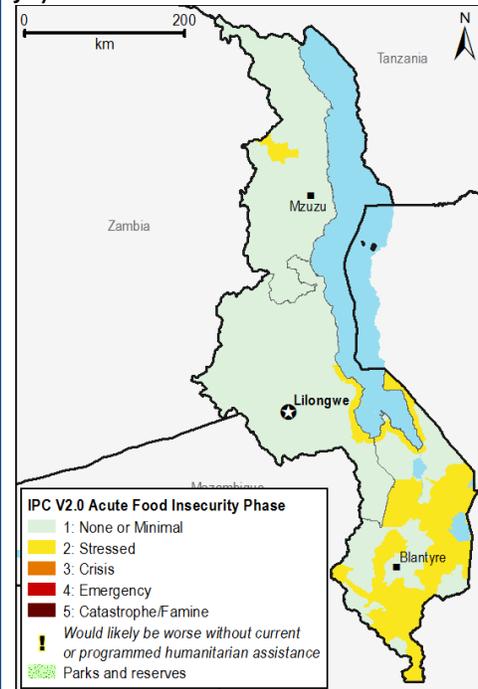


*High prices, declining incomes, and poor winter production cause Crisis food insecurity*

**KEY MESSAGES**

- Following a poor 2014/15 production season, FEWS NET estimates that this year's national maize deficit is approximately 500,000 MT. Currently, households are dealing with high staple food prices at the same time that their incomes are sharply dropping. Poor households in southern and central areas affected by severe flooding earlier this year and extended dryness at the end of the season will be Stressed (IPC Phase 2) between July and September. Poor households in northern areas affected by drought will face similar acute food insecurity outcomes.
- Between July and September, poor households will likely earn less from food and cash crop sales due to reduced 2014/15 production levels. Additionally, prospects for the irrigated/winter production are poor due to low moisture availability, increasing pressure on incomes.
- As competition for labor rises between October and December, some households anticipate migrating to Mozambique and Zambia to find work. However, prevailing El Niño conditions in the southern region might result in a late start of season, which could limit labor opportunities and further reduce household income.
- Between October and December, households in the southern and central areas will require humanitarian assistance as they continue to experience livelihood protection deficits and food consumption gaps. They will be in Crisis (IPC Phase 3). Households in the north and some parts of the central region will begin to experience livelihood protection deficits and will be Stressed (IPC Phase 2).

Current acute food security outcomes, July 2015.



Source: FEWS NET

This map represents acute food insecurity outcomes relevant for emergency decision-making. It does not necessarily reflect chronic food insecurity. Visit [here](#) for more on this scale.

**NATIONAL OVERVIEW**

*Current Situation*

Malawi, typically a self-sufficient maize producer, had poor crop performance was poor earlier this year due to a late and erratic start to the season, followed by damage from severe flooding in the southern half of the country, and periods of extended dryness across most of the country for the latter half of the season. As a result, maize supplies for the 2014/15 agricultural year are well below the five-year average. Prices increased by more than 10 percent during the harvest and post-harvest period, providing an early indication of thin market supplies.

Disaggregated rainfed maize production for the 2014/15 season decreased by approximately 25 to 30 percent compared to the previous season and the five-year average. In contrast, the latest irrigated maize production estimates indicate that this year's production is above average; however, irrigated production usually contributes only 15 to 20 percent of

total maize production . Other cereals, including millet and sorghum also registered at below-average levels. Cotton, a cash crop of cotton, also declined significantly this year. Usually Agricultural Development and Marketing Corporation (ADMARC) posts are able to sell subsidized maize to households, but it was recently announced that ADMARC is suspending maize sales until October. This is expected to limit household options to purchase more affordable maize in the southern and central regions. The National Food Reserve Agency (NFRA) stocks are at approximately 35,000 MT.

According to the [Southern Africa Regional Supply and Market Outlook report](#), FEWS NET estimates that this year’s national maize deficit is approximately 500,000 MT.

In the southern region of the country, some markets reported low maize supplies as early as June. However, in the traditionally surplus central and northern areas, maize market supplies are normal. Average national prices are higher than normal in the post-harvest period. Some maize prices are as much as 60 percent above the three-year average. The June Consumer Price Index (CPI) dropped slightly between May and June, but still indicates that the cost of living is high in Malawi.

During this time of the season, households are typically selling some of their food and cash crops as necessary. However, this year households are selling less frequently, choosing to hold on to their stocks. Households are also participating in some agricultural labor for wetland cultivation in some areas. On average, wages from a day of labor are worth 4 kgs of maize, while selling a chicken is worth 15 kgs of maize.

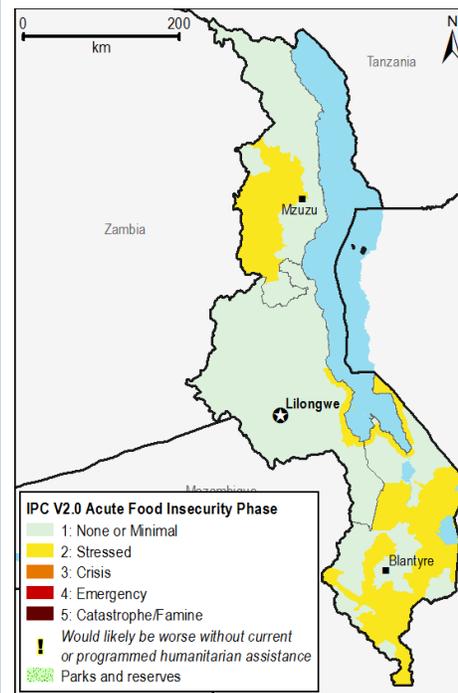
According to the 2015 Issue of the Food and Nutrition Working Group Regional Update, floods from earlier this year affected 1.14 million people. Some 336,000 were displaced. Approximately 64,000 hectares of crops were destroyed. UNICEF’s August Humanitarian Situation report indicated that an estimated 100,000 internally displaced people are still estimated to be in temporary shelters in Nsanje and Chikwawa districts. A nutrition Standardized Monitoring and Assessment of Relief and Transitions (SMART) survey lead by UNICEF was recently completed in flood-affected areas in July. Preliminary findings have yet to be released, but are expected in late August. Humanitarian assistance programming in the form of cash and food transfers for 620,000 people affected by heavy rains and flooding earlier this year, is expected to come to an end in July.

*National Level Assumptions*

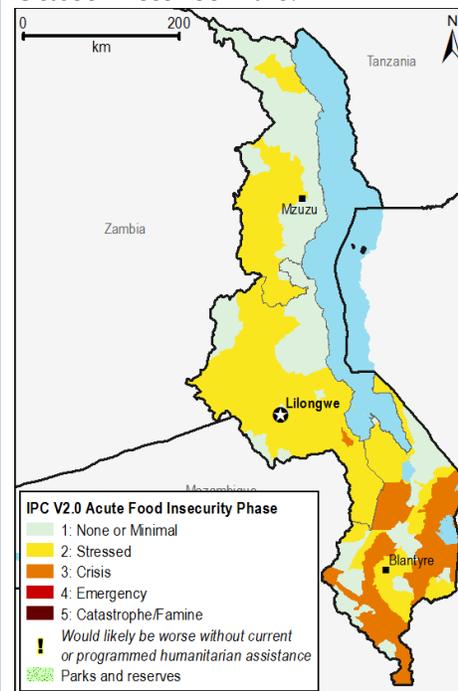
The Food Security Outlook for July to December 2015 is based on the following national-level assumptions:

**Rainfed staple production and supplies:** Third round national agricultural production figures from the Ministry of Agriculture, Irrigation, and Water Development have shown that Malawi has registered a 30 percent reduction in production of the maize staple as compared to the previous season and a 24 percent production reduction as compared to the five-

Projected acute food security outcomes, July-September 2015.



Projected food security outcomes, October-December 2015.



Source: FEWS NET  
 This map represents acute food insecurity outcomes relevant for emergency decision-making. It does not necessarily reflect chronic food insecurity. Visit [here](#) for more on this scale.

year average. The average 2015 prices for maize sold at the farm increased by about 30 percent when compared to the previous year, and FEWS NET estimates that this year's national maize deficit is approximately 500,000 MT for the 2015/16 marketing year.

In comparison to the 2013/14 season, cotton production for the 2014/15 season declined by about 40 percent and tobacco production decreased by about 5-20 percent.

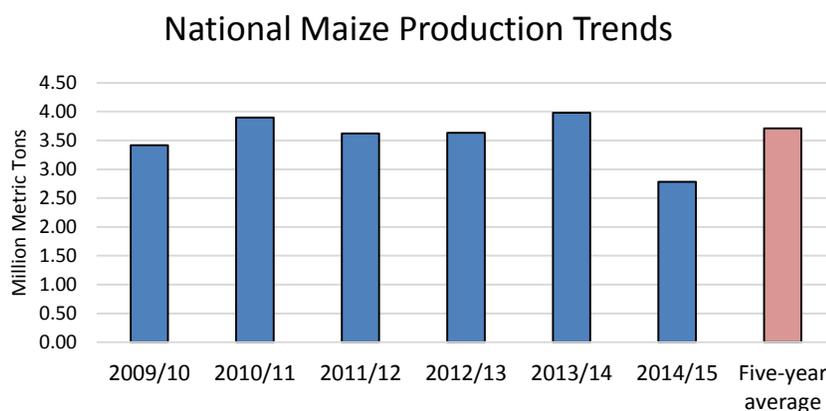
**Irrigated/winter staple production and supplies:** Households with access to wetlands normally produce maize, beans, sweet potatoes, and vegetables for consumption and sale during the September to November period. However, April to May rainfall data in areas that usually participate in winter cultivation show that the mean rainfall during these months was significantly below average. It is assumed that below average rainfall and low residual moisture levels will lead to reductions in the irrigated crop harvests expected during the months of September-November.

**Food and income sources:**

Reports from the Tobacco Commission show that last year's and this year's average leaf prices are at roughly the same levels, USD \$ 1.74/kg, and USD\$ 1.73/kg. Reports from the Cotton Development Trust show that cotton prices have reduced from MWK 220/kg last year to MWK 200/kg this year. Based on this information it is assumed that levels of localized

tobacco and cotton production decreases will likely correlate to levels of decreased incomes for households.

Figure 1. National maize production trends.



Source: FEWS NET

This year's average price for maize sold on the farm is about 118 MWK/kg, compared to last year's price of 84 MWK/kg, and 90 MWK/kg in 2013. This year's farmer selling price is about 29 percent higher when compared to last year's selling price. With national production down by 30 percent when compared to the previous year, it is assumed that this increase in producer prices will likely only benefit larger farmers that usually sell their maize. Smallholders that produced some maize will likely hold on to it for their own consumption and sell other crops like pulses, rice, and sweet potatoes. As stated above, lower than average incomes and food are expected from areas that usually participate in the irrigated/winter production due to poor residual moisture levels.

The majority of households have access to maize meal, sweet potatoes, cassava, vegetables, and pulses for gravy. Poor households have access to similar foods, but at reduced quantities. Agricultural labor opportunities will be slightly lower than normal between July and September because of the below-average 2015 harvest. Typically, the October to December period is when most households are able to get labor by assisting with land preparation and cultivation, for the main season. Agriculture related labor wages range between 240-480 MWK/day. Competition is expected to be at its highest for agricultural labor between October and December because of higher demand by poor household members. Although competition will be high for labor opportunities during this period, there's no indication as of yet that labor rates will decrease at that time. Additional livelihood activities for the period of July-December include self-employment, domestic work, and non-farm labor.

**Staple food retail prices:** National average maize prices were already 61 percent above the three-year average at a period when prices are normally at their lowest. FEWS NET's price projections, based on month-to-month price trends, estimate that average national maize prices will likely be about 50 percent above the three-year average between July and September, possibly rising to levels that are 55 percent above the three-year average between October and December.

During the July-December period, prices for alternative food commodities, particularly cereals, pulses, and cassava, will likely be about 20-50 percent above average prices. Above average staple and alternative food prices are expected to limit food access for some households, especially poor households during the October-December period.

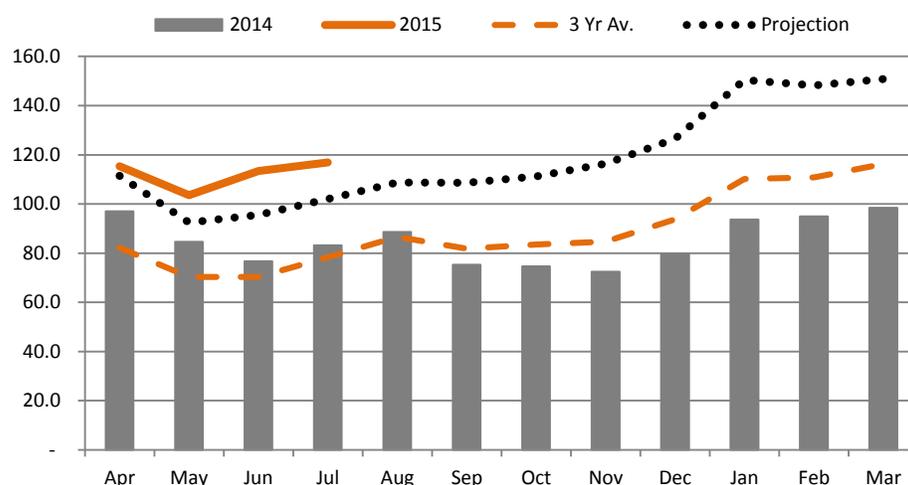
**Informal trade:** Maize imports substantially increased between May and June. June levels were 142 of the five-year average levels. This is in sharp contrast to the previous months, when imports were about 30 to 40 percent of the five-year average for that period. The latest increase may be an indication of increased household demand. Wholesalers are selling imported maize at prices that are 76 percent above the five-year average.

**El Niño forecasts:** As positive sea surface temperatures (SSTs) continue across most of the Pacific Ocean, there is a 90 percent chance that an El Niño will continue to develop into the 2015/16 season in southern Africa. Based on historical trend analysis, El Niño conditions are associated with below-average rainfall between October and December, especially in the southeastern parts of the region. In previous El Niño years, the southern parts of Malawi were affected. Based on recent experiences during the 2014/15 season (when similar positive SST conditions were predicted), several areas in the region had a late start of season and erratic rains during the October to December period, resulting in below-average rainfall. Similar rainfall patterns are possible during this outlook period. However, it should be noted that in some El Niño years, including the 1997/98 season, the southern Africa region received above average rains and above-average harvests.

**Humanitarian assistance:**

In July, assistance in the form of cash and food transfers for people affected by severe flooding will end. The MVAC’s annual assessment identified that approximately 2.8 million people affected by severe floods and dryness during the 2014/15 season will need humanitarian assistance between October 2015 and March 2016. However, response plans and funding are still in the early stages, so no assistance programming is assumed for this outlook period.

Figure 2. National average maize price trends.



Source: FEWS NET

*Most Likely Food Security Outcomes*

**July to September:** The majority of poor households in the drought and flood affected areas are expected to finish consuming their own production between July and September. Most of these households will face a lot of competition for agricultural labor and may not earn as much income as they usually would. Households will also earn less income from food and cash crop sales due to reduced 2014/15 production levels. Staple and alternative food prices are expected to remain above average during this period, constraining food access slightly. Households in 11 districts in the southern

region<sup>1</sup>, five districts in the central region<sup>2</sup>, and three districts in the north<sup>3</sup> will be Stressed (IPC Phase 2) due to dryness and drought conditions earlier this year.

**October to December:** Households will have limited access to food and income from irrigated/winter cropping from September to November. Competition for labor is expected to continue to increase during this period, as well as prices for food in local markets. This period is typically the peak period for agricultural labor, when people are hired for land preparation activities. However, demand for labor during this period are uncertain as an El Niño event is expected to take place at the start of the main season, possibly delaying the start of the season. An estimated 1.65 million people will be Stressed (IPC Phase 2), while approximately 1 million will be in Crisis (IPC Phase 3) during this period.

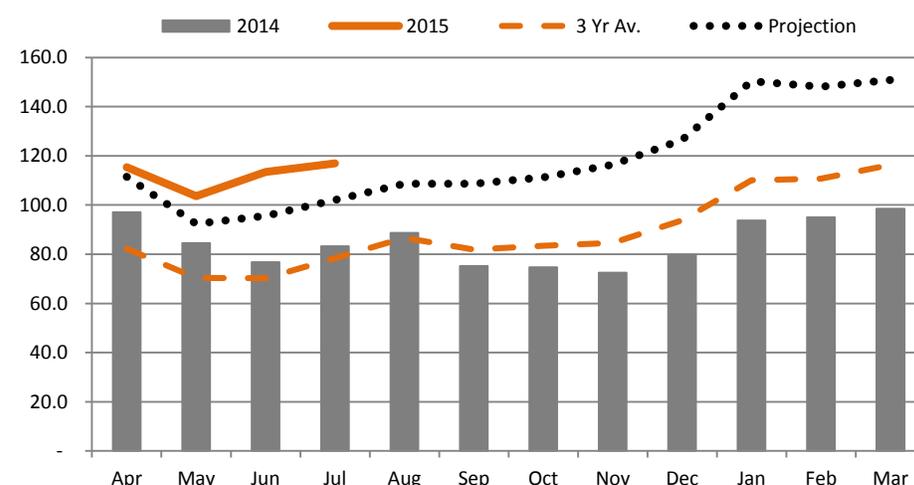
## AREAS OF CONCERN

### Lower Shire Valley (LSH) Livelihood Zone (Chikwawa and Nsanje districts)

#### Current Situation

Households finished harvesting crops in May, a month later than usual. Because some households did not harvest much due to severe flooding and drought, people are relying on food purchases in markets. The June District report by the Ministry of Agriculture reported that about 20 percent of households did not have food from own household production and are engaging in coping mechanisms much earlier than they normally do (in October). A FEWS NET assessment in June found that households were already engaging in agricultural labor, selling firewood, livestock, and consuming wild water lily tubers or *nyika* for food. District and extension planning area level reports also indicate that local production fell by 30 to 40 percent, while cotton production fell by 50 to 60 percent. These declines are significant

Figure 3. Average maize price trends in Lower Shire livelihood zone.



Source: FEWS NET

because normally food crops contribute to about 70 percent of household access to food, while purchases through cash crop sales and labor exchange provide the remaining 30 percent. Normally, households consume food from their own production and engage in coping from the start of the lean period around October. Humanitarian assistance programming for 30,000 people affected by heavy flooding earlier this year ends in July.

As prices for maize continue to be above the previous and three-year average, household market food access is becoming more constrained. Even prices for alternative food commodities including sorghum and pulses are about 20 percent above previous year prices. During FEWS NET's June assessment, ADMARC posts were selling subsidized maize, but

<sup>1</sup> Balaka, Blantyre Rural, Chikwawa, Chiradzulu, Machinga, Mangochi, Mulanje, Nsanje, Phalombe, Thyolo, and Zomba districts.

<sup>2</sup> Mchinji, Dowa, Kasungu, Salima, and Dedza districts.

<sup>3</sup> Rumphu, Mzimba, and Karonga districts.

amounts were restricted to 10 to 25 kg per purchase because demand is so high. Since this assessment, ADMARC has suspended maize sales until later this year. The assessment also discovered that maize supplies in local markets are much lower than normal because of the lack of inflows from the central region, a traditionally maize surplus area that experienced crop reductions because of drought. Traders confirmed that maize flows from the central region and productive areas in the south are no longer reaching major markets in the southern region.

### *Assumptions*

In addition to the national assumptions described above, the following assumptions have been made about LSH:

**Food and income sources:** Due to low or no household food stocks, poor households that normally rely on own produced food during the July to September period will have to depend on market purchases. As previously mentioned, cash crop sales will be much lower than normal because cash crop production fell by nearly half of average in some areas. In addition to this, irrigated production prospects are poor due to poor moisture levels March-May. Typically crop sales contribute about 20 percent to household incomes during the April to September period. This consumption year producer prices are higher than last year, but the amount of crops that farmers are willing to sell will result in less income for households to buy maize staple. In order to fill this gap, it is assumed that poor households will rely more on highly competitive agricultural labor opportunities, non-farm labor, and livestock sales for income to buy food. As a coping mechanism, households engage in migratory labor to Mozambique. In order to find this work people have to travel long distances, deal with authorities at the border, and do more work for less pay. Another coping mechanism may include increased firewood sales.

**Staple food retail prices:** Based on FEWS NET's technical and fundamental analysis using Agriculture Market Information System price trends, maize prices are expected to be more than 20-50 percent above the three-year average between July and December. These higher prices could constrain food access for some poor households.

**Humanitarian Assistance:** Humanitarian assistance programming has not yet been planned.

### *Most Likely Food Security Outcomes*

**July-September:** FEWS NET's assessment in June found that food consumption was at minimally acceptable levels for poor households. Households were relying on food purchases after doing some agricultural and other labor. Household interviews showed that poor households were consuming only maize meal with purchased or wild vegetables. Poor household consumption lacked dietary diversity, and households reported only accessing some pulses or small fishes once a week or less. Households reported that they had already started reducing the number of meals per day from the normal three to two meals, and sometimes just one. Between July and September, some households will purchase maize with income from some crop sales, however higher competition for labor, and higher maize prices will result in inadequate quantities being accessed for consumption and some livelihood protection deficits. Poor households will face Stressed (IPC Phase 2) food security outcomes between July and September.

**October-December:** Food consumption for poor households will continue to deteriorate. More cash will be spent on food purchases and less on other basic items. Income earned from the sale of livestock will be slightly less due to poorer animal conditions once the lean season sets in. Some household members will be migrating to Mozambique to seek labor for food and cash. In addition, forecasts indicate that an El Niño event will occur. Historically, these events have resulted in a late start of season, erratic rains, and below-average October to December rainfall. It is assumed that these weather conditions could have a negative impact on agricultural labor activities (land preparation, seeding, weeding) for the 2014/16 season. Poor households will face Crisis (IPC Phase 3) food security outcomes between October and December in the absence of humanitarian assistance.

**Lake Chilwa-Phalombe Plain Livelihood Zone (Phalombe, parts of Machinga, Zomba, Mulanje, and Chiradzulu Districts)**

*Current Situation*

Households finished harvesting crops in April/May, a month later than usual. Because some households did not harvest much due to severe flooding and drought, people are relying on food purchases in markets. District and extension planning area level reports also indicate that local production fell by 30-55 percent in comparison to the previous year. Declines in other food crops ranged from 10 to 30 percent, and cash crop production decreased by 5 to 35 percent.

As prices for maize continue to be above the previous and three-year average, market food access is becoming more constrained for households. During FEWS NET’s June assessment, ADMARC posts were not selling subsidized maize because they had no maize stocks available. Prices for maize informally imported from Mozambique are usually a cheaper alternative, but this year prices are also substantially higher than normal.

Households reported that they are engaging in agricultural labor for food purchases several months earlier than usual. Household members also reported that they are participating in land preparation labor on plots for irrigation farming. Humanitarian assistance programming for 32,000 people affected by heavy flooding earlier this year ends in July. Targeted households received in-kind rations of maize, pulses, vegetable oil, or the cash equivalent. Consumption among households not receiving assistance is acceptable. Most are consuming *nsima*, with vegetables, and sometimes pulses.

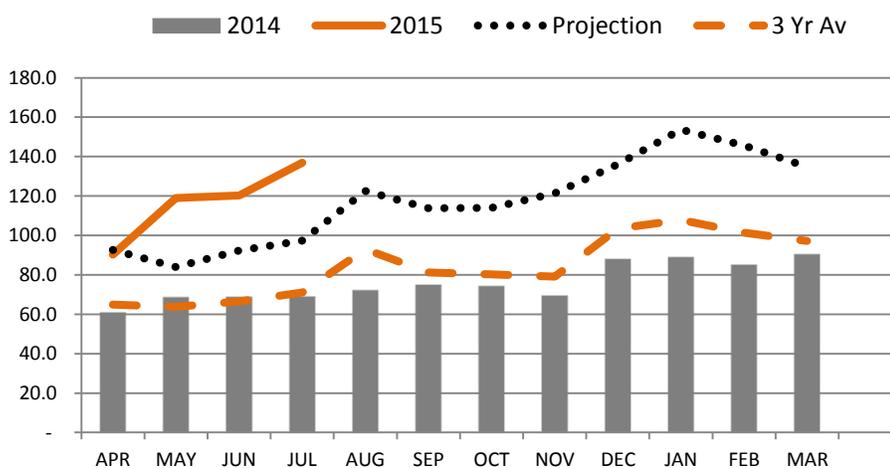
*Assumptions*

In addition to the national assumptions described above, the following assumptions have been made about PHA:

**Food and income sources:** Due to low or no household food stocks, poor households that normally rely on own produced food during the July to September period will have to depend on market purchases. As previously mentioned, cash crop sales will be much lower than normal because of reductions of a 5 to 35 percent drop in production. In addition, irrigated production prospects for crops including maize, sweet potatoes, and pulses are poor due to poor moisture levels from March to May. In order to fill this gap, it is assumed that poor households will rely more on highly competitive agricultural labor opportunities, non-farm labor, and livestock sales for income to buy food. According to District reports, people will face more competition for labor during the period of July to September. Another coping mechanism may include increased firewood sales.

**Staple food retail prices:** Based on FEWS NET’s technical and fundamental analysis using Agriculture Market Information System price trends, maize prices are expected to be more than 80 percent

Figure 4. Average maize price trends in Lake Chilwa-Phalombe Plain livelihood zone.



Source: FEWS NET

above the three-year average between July and December. These higher prices could constrain food access for some poor households.

**Humanitarian assistance:** Humanitarian assistance programming has not yet been planned.

### *Most Likely Food Security Outcomes*

**July to September:** FEWS NET's assessment in June found that food consumption was at minimally acceptable levels for poor households. Households were relying on food purchases after doing some agricultural and other labor. Household interviews showed that consumption in poor households lacked dietary diversity. Some respondents were consuming only maize meal with purchased or wild vegetables. Some reported only eating pulses or small fishes once a week or less. Households reported that they had already started reducing the number of meals per day from the normal three to two meals, and sometimes just one. Some households will purchase maize with income from some crop sales, however higher competition for labor and higher maize prices will result in inadequate quantities being accessed and livelihood protection deficits. Poor households will face Stressed (IPC Phase 2) food security outcomes between July and September.

**October to December:** Food consumption for poor households will deteriorate. More cash will be spent on food purchases and less on basic items. Income earned from the sale of livestock will be slightly less due to poorer animal conditions as the lean season sets in. Some household members will be migrating to Mozambique to seek labor for food and cash. The El Niño could have a negative impact on agricultural labor activities (land preparation, seeding, weeding) for the 2014/16 season. Poor households will face Crisis (IPC Phase 3) food security outcomes between October and December in the absence of humanitarian assistance

### **Northern half of Kasungu Lilongwe Plain (KAS) Livelihood Zone (Dowa, Kasungu, and Mchinji Districts)**

#### *Current Situation*

Households finished harvesting crops in June, one to two months later than usual. Because some households did not harvest much due to drought, people are relying on food purchases in markets. District and extension planning area level reports also indicate that local maize production fell by 35 to 50 percent in comparison to the five-year average, while tobacco production fell by about 20 percent. In this zone, about 65 percent of total incomes for poor households in a normal year are through tobacco sales. This reduced tobacco production resulted in less income earned by households.

Local markets are well supplied. Informal imports from Zambia in June are substantially higher than average. However, maize prices are still 40 to 60 percent above the previous year. On average, prices in this area are about 55 percent above the three-year average. Currently, households are still consuming their own produced cereals, but some have run out of this and are relying on market purchases. A few households have already started reducing expenditures on non-food items in favor of food purchases. Based on household interviews, food consumption seems generally stable and acceptable. Some people are currently eating maize meal, beans, other pulses, sweet potatoes, groundnuts, and vegetables.

Households reported that they are engaging in agricultural labor for food purchases several months earlier than usual. Household members also reported being hired to work on tobacco leaf grading, balling, and land preparation for irrigated farming. For income some household members are engaging in petty trade of dry fish and banana flitters.

#### *Assumptions*

In addition to the national assumptions described above, the following assumptions have been made about KAS:

**Food and income sources:** Irrigated farming usually contributes up to 25 percent of household income and food, but due to low moisture levels these crops levels are expected to be lower than usual. In order to fill this gap, it is assumed that poor households will rely more on highly competitive agricultural labor opportunities and livestock sales for income to buy food between October and December. According to District reports, households are also anticipating a labor

shortage between October and December and are expecting some household members to be forced to seek labor opportunities across the border in Zambia.

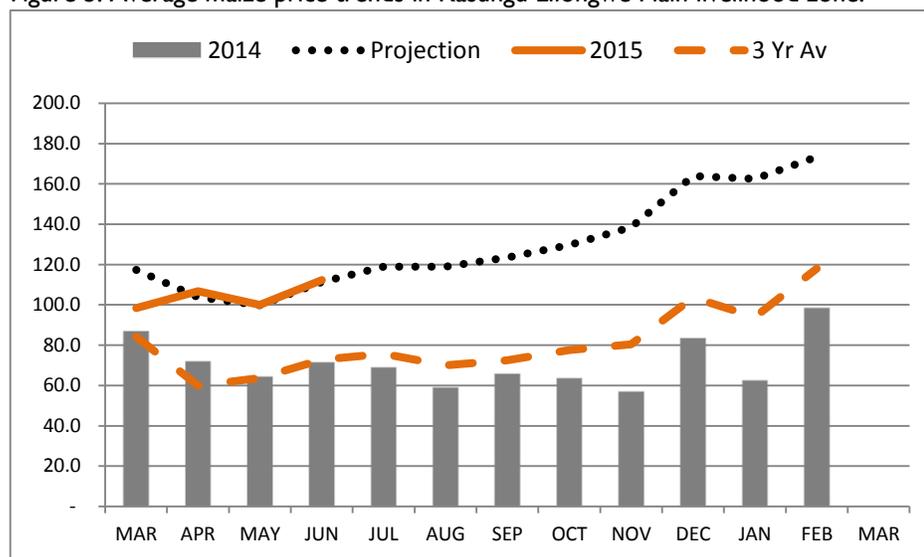
**Staple food retail prices:**

Based on FEWS NET’s technical and fundamental analysis using Agriculture Market Information System price prices are likely to be 43 percent above previous year prices and 53 percent above the three-year average during the October to December period. These higher prices could constrain food access for some poor households.

**Humanitarian assistance:**

Humanitarian assistance programming has not yet been planned.

Figure 5. Average maize price trends in Kasungu Lilongwe Plain livelihood zone.



Source: FEWS NET

*Most Likely Food Security Outcomes*

**July to September:** FEWS NET’s assessment in June found that food consumption was at acceptable levels for some poor households. Households were relying on own produced stocks and supplementing this with some market purchases. Households are not expected to finish their own produced stocks until around August. It should be noted that some poor household consumption lacked dietary diversity. Poor households will face Minimal (IPC Phase 1) food security outcomes between July and September.

**October to December:** Reliance on markets for food purchases will increase significantly during this period. Households that have depleted their own production will start to face consumption gaps, as they continue to rely on very competitive agricultural labor for income and food. As a last resort, some household members will be migrating to Zambia to seek labor for food and cash. Poor households will face Stressed (IPC Phase 2) food security outcomes between October and December.

**EVENTS THAT MIGHT CHANGE THE OUTLOOK**

**Table I.** Possible events over the next six months that could change the most-likely scenario.

Area	Event	Impact on food security outcomes
All livelihood zones	Humanitarian assistance programming is planned, funded, and implemented by government and other development partners	Improved food consumption among poor households will reduce the likelihood of Crisis (IPC Phase 3) food security outcomes.

**ABOUT SCENARIO DEVELOPMENT**

To project food security outcomes over a six-month period, FEWS NET develops a set of assumptions about likely events, their effects, and the probable responses of various actors. FEWS NET analyzes those assumptions in the context of current conditions and local livelihoods to develop scenarios estimating food security outcomes. Typically, FEWS NET reports the most likely scenario.